

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2701 - SB 2899

February 23, 2020

SUMMARY OF BILL: Establishes the “Tennessee Retirement Security Act”, which requires employers of 10 or more persons who do not currently offer a retirement plan, to begin withholding three percent of each employees paycheck and placing it in a separate Roth IRA that the employee may opt out of at any point.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – A recurring mandatory increase in local government expenditures to implement the provisions of this legislation. Due to multiple unknown variables, such increase cannot be quantified with reasonable certainty.*

Assumptions:

- Since employees of the State of Tennessee are offered retirement benefits, it is estimated that this will have no impact on the Department of Treasury or other state and departments and agencies which all currently offer retirement options.
- This legislation will not create any additional requirements on regulatory agencies such as the Department of Financial Institutions.
- It is assumed that employers who offer a qualified plan are not subject to this bill even if the qualified plan is not available to all employees.
- Local government entities that do not currently offer a retirement plan for their employees will realize a mandatory increase in expenditures to accomplish the requirements of this act.
- Due to multiple unknown factors, such as the number of such entities with 10 or more employees and specific costs of implementing and administering the payroll deduction and Roth IRA investment program to any such locality, the recurring increase in local government expenditures cannot be quantified with reasonable certainty.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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